

MISSOURI OIL & GAS COUNCIL
August 9, 2005
MISSOURI DEPARTMENT OF NATURAL RESOURCES
KANSAS CITY REGIONAL OFFICE
500 NE COLBURN RD
LEE'S SUMMIT MO

MEMBERS PRESENT: Dr. Shari- Dunn Norman—UMR; Mr. Ed Galbraith—Clean Water Commission; Mr. George Fauvergue—representing the public; Mr. William Luebbert—representing the public; and Mr. Bill Duley, Deputy Director—Geological Survey and Resource Assessment Division

MEMBERS ABSENT: Ms. Judy Gehrke—Dept of Economic Development; Mr. Jeff Davis—Public Service Commission

LEGAL COUNSEL: Mr. Dan Massey, Assistant Attorney General

STAFF PRESENT: Mr. Steve Sturgess, Geological Survey Program Director; Mr. Bob Archer, Wellhead Protection Section Chief; Sheri Fry, Unit Chief—Wellhead Protection Section; Mr. Jeff Jaquess, Wellhead Protection Section; and Darrell Pratte, Professional Land Surveyor, Land Survey Program

GUESTS PRESENT: Mr. Rick Hendrix, ECR Consulting; Mr. Rex Ashlock, Osborn Energy; Mr. Ted Fritz, US-EPA; Mr. Mark Phillips; Mr. Omer Roberts, Outreach and Assistance Program; and Ms. Earleen Fauvergue

With a quorum being present, the meeting was brought to order by Dr. Dunn-Norman at 10:00 a.m. Dr. Dunn-Norman asked the Council members to introduce themselves followed by staff and the audience.

MINUTES OF THE JULY 30, 2004 MEETING

Mr. Duley made a motion to accept the minutes of the August 1, 2003 meeting as circulated. Mr. Fauvergue seconded the motion. Motion Carried.

BUSINESS SECTION—JEFF JAQUESS

Dr. Dunn-Norman asked Mr. Jaquess to give an update of the Oil & Gas Unit. Mr. Jaquess' presentation revolved around the 2004 production summary and the status of the remedial fund. (Attachment A, incorporated herein by reference.)

Mr. Jaquess concluded by asking if there were any questions. No one approached the Council.

PRESENTATION

Mr. Archer presented, to the Council, the findings of the stakeholder meeting which was held on August 8, 2005. Mr. Archer explained that a rule change would be necessary to allow a well to be located by a Global Positioning System (GPS) instead of a survey.

He began his presentation by stating the rule, as written, has many survey terms, such as, “plat” and “survey”. He added that the rule requires the 1st well to be located by a professional land surveyor. The rule also requires that a professional land surveyor prepare a well location map with the other well locations.

He stated the stakeholder discussion revolved around two (2) major points. Well spacing (the distance between wells) and setback distances (the distance from a well to a property line). The minimum setback distance from property lines is 165-feet.

Mr. Archer stated a consensus was developed at the stakeholder meeting, which was to allow GPS well locations instead of surveys. He then spoke about the differences between a hand-held GPS unit and a survey-grade model. He stated the hand-held GPS unit has an accuracy to the nearest ten-(10) feet. The survey-grade model has an accuracy to the nearest inch. Staff’s interpretation of the current rule is that well locations need to be determined to the nearest foot.

Mr. Sturgess framed the issue for Council members who were not present at the council meeting in 2004. He stated the Council directed staff to develop a draft rule to allow well locations to be reported using a GPS unit instead of a survey.

Mr. Pratte spoke about the use of a GPS unit to locate wells from property boundaries. He stated that a well can be located by a GPS unit, however, the unit would not determine the distance from a property line. He added that as a land surveyor he thought the phrase “plat should be made by a professional land surveyor” should be removed from the rule.

Mr. Galbraith stated he thought it would be up to the operator to meet the setback distances, whether a GPS unit or a land survey is used. Mr. Sturgess added that the consensus from the stakeholder meeting was exactly that; if an operator puts in a well too close to a property line the operator is responsible to plug it, or have the bond pulled.

Mr. Ashlock stated that the operators are at the mercy of the land surveyors. He said waiting on a surveyor to locate wells is cost prohibitive to everyone. He stated that Kansas uses GPS units to locate wells and in the past Missouri has allowed the use of a GPS.

Mr. Sturgess stated the Council should be looking at what is a necessary rule to regulate this industry. Mr. Duley added that if a well does not meet the setback distances the operator should be required to plug the well.

Mr. Galbraith made a motion for staff to proceed with rule development, hold another stakeholder meeting including land surveyors in the discussion. Mr. Duley seconded the motion. Motion Carried.

BOND CLEAN-UP DISCUSSION

Mr. Massey stated he would be forwarding a memo to staff to circulate to Council members regarding this issue. He added that the memo should be forthcoming in the next few weeks.

FORCED UNITIZATION

Mr. Massey stated he did not have anything prepared for this topic.

PUBLIC COMMENT

No one approached the Council for public comment.

OTHER BUSINESS

The Chair recognized Mr. Sturgess. Mr. Sturgess gave a brief overview of the rulemaking process for the Council.

FUTURE MEETING DATES & TIMES

Mr. Duley made a motion that the Oil and Gas Council meet in closed session at 10:00 a.m., with the opening session beginning at 10:30 a.m. at the next regular Council meeting for the purpose of discussing personnel actions, legal actions, causes of action, or litigation, confidential and privileged matters with the Council's attorney, testing and examination, personnel records or applications or records which are otherwise protected from disclosure by law as provided for in Section 610.021, RSMo.

Mr. Galbraith seconded the motion. Roll Call Vote: Mr. Duley, yes; Mr. Luebbert, yes; Mr. Galbraith, yes; Mr. Fauvergue, yes. Motion Carried.

As no other business was brought to the Council, Mr. Galbraith made a motion to adjourn the meeting. Mr. Duley seconded the motion. Motion Carried. Meeting adjourned at 11:10 a.m.